

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



February 16, 2007

CSSIN LETTER: 07-01

ALL IV-D DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL BOARDS OF SUPERVISORS

Reason for this Transmittal

- ☒ State Law or Regulation Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Change
- ☐ Clarification requested by One or More Counties
- ☐ Initiated by DCSS

SUBJECT: ASSEMBLY BILL 2440 (CHAPTER 820, STATUTES OF 2006);
CIVIL CODE SECTIONS 1714.4 AND 1714.41

Assembly Bill (AB) 2440, pertaining to a new type of civil liability associated with child support, was signed into law and became effective on January 1, 2007. The purpose of this letter is to provide an overview of the bill and its effect on the child support program.

The intent of the legislation is to discourage individuals and businesses from engaging in illegal activities such as the underground economy (earnings under the table) and fraudulent transfers of money and/or assets, in an effort to avoid child support obligations.

AB 2440 added a section to the Civil Code establishing a separate civil liability for any person or business entity that knowingly assists a child support obligor to escape, evade, or avoid paying court-ordered child support. This civil liability is separate and distinct from the Title IV-D child support program. Payments collected under this new law are paid by a third-party, directly to the obligee. As a separate and distinct civil liability paid by a non-obligor, it does not reduce the amount of any current or unpaid child support in existence prior to the offense.

The statute does not add any new provisions which would require local child support agencies (LCSAs) to take action against a third party who may have assisted an obligor to avoid a child support obligation, nor does it require LCSAs to enforce such an order. Furthermore, the State IV-D Plan does not permit such actions.

Obligees requesting assistance from the LCSA in pursuing legal actions against a third party pursuant to the new legislation should be informed that this particular civil action is not within the authority of LCSAs, however, they may seek private counsel.

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If you have any questions or concerns regarding this matter, please contact Michelle Tedrow at (916) 464-5055.

Sincerely,

/s/

DEBRA SANCHEZ
Acting Deputy Director
Child Support Services Division